

LOCAL AGENCY FORMATION COMMISSION COUNTY OF SAN BERNARDINO

175 West Fifth Street, Second Floor, San Bernardino, CA 92415-0490
• (909) 387-5866 • FAX (909) 387-5871
E-MAIL: lafco@lafco.sbcounty.gov
www.sbclafco.org

DATE: APRIL 11, 2005

FROM: KATHLEEN ROLLINGS-McDONALD, Executive Officer

TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: AGENDA ITEM #14 – Preliminary Review of Budget for Fiscal Year 2006-07, Item (A) – Review of Proposed Fee Schedule

RECOMMENDATION:

1. Review the modifications proposed for the LAFCO Schedule of Fees and Charges and provide staff with direction on changes, corrections, or amendments to be included;
2. Review the proposed Policy Amendments and Additions related to implementation of the Schedule of Fee and Charges and provide staff with direction on changes, corrections, or amendments to be included;
3. Direct the staff to forward the Proposed Schedule of Fees and Charges for FY 2006-07 and Implementation Policies to the County, all Cities/Towns, and all Independent Special Districts for their review and comment pursuant to Government Code Section 66016; and,
4. Schedule the final review and adoption of the Schedule of Fees and Charges and their implementing Policies for the May 19, 2006 hearing.

BACKGROUND:

The staff is presenting the Commission with its recommendation for modifications to the Schedule of Fees and Charges. The changes are shown on the attached Schedule in *italic, bold print* to assist in their recognition. A listing of the proposed changes is as follows:

1. The designation of new a category for fee deposit identified as “Legal Counsel Deposit”. Staff is proposing to require payment of all direct

costs associated with LAFCO Legal Counsel or Special Counsel participation in review of proposals. It is proposed that the deposit be defined for specific types of proposals with Jurisdictional Changes requiring a deposit is \$1,040 (\$189 per hour for 5.5 hours) and Island Annexations and Service Contracts requiring public hearings requiring a deposit of \$756 (\$189 per hour for four hours).

2. In addition, the staff is not proposing to reduce the LAFCO Filing fees identified under Item A which translate to an increase in these categories -- \$1,040 for Items 1 through 7 (except Item 3c) and \$756 for Items 8 and Service Contract Items 1, 2 and 4. In the past the costs for LAFCO Legal Counsel were anticipated to be recovered through the filing fees.
3. The separation of sphere of influence amendments into its own fee category specifically identifying that if a service review/sphere update proposes a sphere of influence expansion it will be assessed a fee for processing equivalent to a sphere of influence amendment application.
4. The consolidation of special districts is moved to the category charging \$5,550 rather than its previous charge of \$4,500.
5. Island Annexation proposal deposits are increased to reflect the direct costs experienced for processing. It is staff's position that it is preferable to refund money than to bill for increased costs.
6. Under Environmental Review and Registrar of Voters deposits, staff is proposing that a portion of the deposit be determined to be non-refundable representing the staff's processing cost for the application. LAFCO incurs costs for initial processing that should be the obligation of the applicant.
7. Increases the deposit required for preparation of a Comprehensive Fiscal Analysis for an Incorporation proposal to \$15,000 with the qualification that the Executive Officer may require a larger deposit dependent upon the circumstances of the application.
8. GIMS charges are increased to reflect the higher per hour charge for processing.

The staff is also proposing amendments and additions to the policies related to implementation of the Schedule of Fees and Charges. The additions are proposed to include the implementation policies the Commission has utilized for a number of years within the official Policy and Procedure Statement of the

Commission's policy manual and to address policies regarding the implementation of payment for Special Legal Counsel charges. The changes proposed are:

1. New Policy #36 – Responsibility for Payment of Special Legal Counsel Costs. The policy proposes to define the process for determining the Special Legal Counsel charges to be paid by an applicant. The Commission will recall the discussion held regarding Special Counsel charges for the Bloomington Incorporation Commission (BIC) sphere of influence proposal. During this discussion, the Commission determined that it would be appropriate to charge the BIC application the standard LAFCO Legal Counsel charge for the services of Special Counsel, with the balance of the costs absorbed by the Commission. The cost for Special Council was apportioned in this manner since the need for Special Legal Counsel was not related to a conflict on the applicant's part, but to circumstances outside their purview. The policy proposed for inclusion memorializes this past practice.
2. New Policy #35 – LAFCO Fee Refund. This has been the Commission's past policy and procedure, but it has not been included as an official policy of the Commission. The staff is recommending its inclusion in the Policy and Procedure Manual to correct this oversight.
3. Amend Policy #18 – The language of this policy has been modified to include the statutory language on the ability to waive fees.

Any changes, corrections, or additions requested by the Commission will be included in the Schedule and Implementation Policies prior to forwarding to the County, the Cities and Towns and the Independent Special Districts for their review and comment. Any comments received will be reviewed with the Commission at the final hearing, recommended to be scheduled for May 19th.

/KRM

Attachments:

- 1 – [Draft Schedule of Fees and Charges](#)
- 2 – [Draft Implementation Policies](#)